SAN FRANCISCO PUBLIC UTILITIES COMMISSION WATER SYSTEM IMPROVEMENT PROGRAM CONSTRUCTION MANAGEMENT BUSINESS PROCESSES	
SECTION: WSIP CONSTRUCTION MANAGEMENT	**APPROVED:**
BUSINESS PROCESS NO.: 004c **TITLE: APPLICATIONS FOR PAYMENT**	**DATE: 02/09/09** **REVISION: 0a**

This report defines the business process for applications for Payment. The Applications for Payment process involves the Schedule of Bid Prices, Schedule of Values (SOV), the Project Schedule, Change Order implementation, and the interface between the Construction Management Information System (CMIS) and processes currently used by CAB and SFPUC Accounting. The business process describes the processes that the Contractor uses to prepare and to submit an Application for Payment in the filed based on negotiated progress using the cost-loaded Project Schedule and the project CM team uses for processing the Contractor's Application for Payment and submitting it to CAB for processing and payment.

During bidding and negotiations, the Contractor and the Construction Management Bureau (CMB) establish the value for each line item of the Schedule of Bid Prices, which is adopted with the award of Contract and is the basis on which Applications for Payment are made. The Contracts module in CMIS is the repository of contract values and Schedules of Bid Prices for every project. Approved and certified Chang Orders modify the Schedule of Bid Prices in CMIS, as well as the Schedule of Values (SOV) and the cost loaded activities in the Project Schedule. The Project Schedule is the instrument for monthly measurement of percent complete or quantities installed, from which payments are calculated. CMIS is used by the Contractor to prepare and submit Field Approved Applications for Payment and by the project CM team to review and approve them for submission to CAB for processing and payment. Applications for Payment will be created, submitted and approved using CMIS, and will be submitted in hardcopy to CAB.

At the inception of the project, the Schedule of Bid Prices that the Contractor proposed during the bidding is entered in CMIS. The Contractor develops the SOV from the Schedule of Bid Prices and uses it to develop the cost loaded Baseline Schedule.

- Every activity in the schedule shall be associated with one, and only one, line item in the SOV; however, multiple activities may be associated a single line item in the SOV.
- Every Item in the SOV will be associated with one, and only one, line item in the Schedule of Bid Prices; however, multiple line items in the SOV may be associated with a single line item in the Schedule of Bid Prices.
- The sum value of the cost loaded Project Schedule must equal the sum value of the SOV, which must equal the sum value of the Schedule of Bid Prices including all approved and certified changes.
- For each of these changes, the Project CM team must adjust the Schedule of Bid Prices in the CMIS and the Contractor must adjust the cost loaded activities in the Project Schedule and the line items in the SOV.

With Application for Payment, the Contractor must submit each month the monthly Update Project Schedule and the current SOV as calculated by the schedule. The Updated Project Schedule is to include the status of all work in progress and completed.

Business Process

The Business Process describes the Process of initiating, processing and approving Applications for Payment. There are two phases of the Application for Payment review and approval business process: field review and approval conducted in CMIS and City approval and processing for payment. The latter phase is accomplished by the CAB and Accounting using the “Workflow” process and, upon its eventual deployment, in SOLIS.

When SOLIS is deployed, it will provide the process for processing and payment of the final Application for Payment and for the maintenance of the payment line items which are based on the Contract’s schedule of Bid Prices. At project inception, the CAB enters the initial Schedule of Bid Prices in to SOLIS, and prepares is to be entered into the “Schedule of Values” function in the CMIS Contract module as lump sum or unit price line items. The Contractor submits the cost loaded Baseline CPM Schedule with the initial SOV to the Project CM for approval. Since all payments to the Contractor are made against the Schedule of Bid Prices, and all progress is measured using the Current Project Schedule and the SOV it produces, all SOV line items must correspond and be summarized to the Schedule of Bid Prices.

CMIS Workflow Process

<u>Contractor’s Payment Estimate</u>

Prior to the 25th day of the month, the Contractor updates the Construction Schedule and the SOV, base on the agreed upon progress of the project activities as of the 25th day of the month. The Contractor submits to the Project CM the Contractors Payment Estimate Package containing the Contractor’s Payment Estimate, Updated Monthly Construction Schedule, the SOV, and any other submittals required by contract specifications and notifies the Project CM that the Interim Contractor’s As-Built Drawings are available for review. The FCA compiles these submittals to be included in the Application for Payment package for submission to CAB along with the field approved Application for Payment.

The Project CM forwards the schedule, SOV and Contractor's Payment Estimate to the Project Scheduler/Cos Specialist for review and recommends approval or revision. The Office Engineer reviews the Interim Contractor's As-Built Drawings and any other submittals required by contract specifications and recommends to the Project CM approval or revision using a method defined by the Project CM. The Project CM and the Contractor reach concurrence on the progress of the Work and the payment. Upon approval of the submitted documents, the Project CM instructs the Contractor to submit an Application for Payment.

Application for Payment Submittal

On the 25th day of the month, using the CMIS Application for Payment module, the Contractor adds an Application for Payment and updates the percent completed or units installed for each line item in the Schedule of Bid Prices that corresponds to the scheduled activities that are in process or complete and for which payment is requested.

On or before the 25th day of the month, the Contractor must submit Certified Payroll, certification of insurance, and require Human Rights Commission (HRC) forms.
Retentions: The Contractor does not modify the values of Retention. At the setup of the contract in CMIS, Retention is set to 10%, resulting in the automatic reduction of each line item's calculation by that amount. At 50% completion of the project, at the sole discretion of the City and upon written request of the Contractor, this value may be modified to 5%. When the City determines the work is 98% complete, the retention may further reduced to a total amount equal to 200% of the remaining value of work to be completed. The FCA is responsible to verify/modify the Retention values during the review of the Application of Payment.

Stored Materials: The Contractor enters the units stored on the site for materials measured by unit price, or the value of materials stored that are measured by lump sum. The FCA is responsible to verify these values with the Project CM during the review of the Application for Payment.

On completion of the Application for Payment, the Contractor uses the Ball In Court to forward it to the Project CM. The Project CM reviews the Application for Payment and uses the Ball in Court to forward it to the Field Contracts Administrator (FCA) for processing. The FCA reviews the Application for Payment for completeness and compliance with the governing Specification Sections. If the Application for Payment is not complete and compliant, the FCA rejects is and returns is to the Contractor via email with instructions for correction, including the Project CM as a recipient. The Contractor corrects errors and notifies submits required documents to the Project CM via email or in hardcopy. The FCA ensures that the ADCS attaches the documents to the Application for Payment record in CMIS. If it is acceptable, the FCA uses the CMIS to modify the Application for Payment as necessary to ensure that the line item values conform to the amounts agreed upon in the Contractor's original submission at the line item detail in CMIS, verifying credits for material stored on-site if allowed by contract, verifying subtracted Retention, and generates an Application for Payment form for the Project CM for approval and provides the Application for Payment form to the Project CM for Signature, along with all required documents in the Application for Payment Package.

During this Process, the Contractor must submit HRC forms to the Project CM, certified payroll and certification of insurance for inclusion in the Application for Payment package.

The Project CM reviews the Application for Payment and, upon approval and signature, returns it to the FCA. The FCA instructs the ADCS to scan the entire original Application for Payment package and attach it to the Application for Payment record in CMIS, file the hardcopy and return the electronic files via email to the FCA who will forward it via email to CAB for entry into Workflow. The CAB Workflow system forwards the Application for Payment package to the RPM and RCM in turn for approval.

Application for Payment Log

The FCA tracks the Application for Payment in CMIS from its submission for field approval to the download of the payment data. Specific logging points include:

1. Contractors Submission (Status-Reviewed Date #1)
2. Project Schedule. Cost validation (Custom Field-Cost/Schedule)
3. Project CM Field approval (Status-Reviewed Date #2)
4. Transmittal to CAB for processing
5. Payment (Date Paid- From FAMIS)
6. Reconciliation (Custom Field- Reconciliation)

Business Process Steps

The Business Process Steps briefly outline the process for the preparation of the Schedule of Bid Prices in the “Schedule of Values” function of CMIS, “Change Order Implementation” and “Application for Payment Processing” in order to describe the prerequisite preparation of data for the Application for Payment prior to the submission of Application for Payment, and for the reconciliation of CMIS and SOLIS data after the payment of Applications for Payment. This Business Process requires the Business Process Steps defined under “Application for Payment” below.

Schedule of Values

1. At the inception of the project, the Contractor prepares and submits cost l9aded Baseline CPM Schedule and the SOV with line items that roll up and balance to the value of each line item of the Schedule of Bid Prices.
2. The FCA compares the Schedule of Bid Prices with the SOV as it has been entered into the Project Schedule.
3. If there are discrepancies, the FCQA coordinates with the Project Scheduler/Cost Specialist to reconcile the SOV and the Schedule of Bid prices. The Project Scheduler/Cost Specialist coordinates with the Contractor to correct discrepancies in the Project Schedule, and the FCA coordinates with CAB to correct discrepancies in the Schedule of Bid Prices, if necessary.
4. If there are no discrepancies, the FCA enters the Schedule of Bid Prices into the “Schedule of Values” function in the CMIS Contracts module.

5. Each month the Contractor incorporates approved changes into the Updated Project Schedule which modifies the SOV to be used for the Payment Application.
6. Each month, the FCA updates the Schedule of Bid Prices in CMIS, as needed, and reconciles the SOV in the Current Project Schedule to the updated Schedule of Bid Prices.

Change Order Implementation

1. On the certification of a Change Order by the City Controller, the line items in the Schedule of Bid Prices that are affected by the Change order are adjusted in CAB records.
2. The FCA validates the updated Schedule of Bid Prices and updates the Schedule of Bid Prices in the "Schedule of Values" function of the CMIS Contract Module.
3. The Contractor validates the updated Schedule of Bid Prices and updates the Schedule of Vales in the Project Schedule.

Application for Payment

<u>Contractor's Payment Estimate</u>

1. Prior to the 25th day of the month, the Contractor submits to the Project CM the Contractor's Payment Estimate Package, which contains Updated Monthly Construction Schedule and Summary Schedule with progress completed as of the 25th day of the month, SOV as calculated in the Current Project Schedule, current as-built drawings, and any other submittals required by the contract specifications. HRC forms, the certified payroll and, if necessary, certification of insurance are included as part of the submittals, but may be submitted separately on or before the 25th day of the month; these document are elements of the Application for Payment Package submitted by the Project CM to CAB
2. The Project CM forwards the Updated Project Schedule and SOV to the Project Scheduler/Cost Specialist for review and notifies the Office Engineer to review the Contractor's interim As-Built Drawings.
3. The Office Engineer reviews the Contractor's Interim As-Built Drawings for compliance, and returns to the Project CM comments and recommendations.
4. The Project Scheduler/Cost Specialist verifies the progress shown in the Updated Monthly Construction Schedule, that approved changes have been accurately incorporated into the SOV and that the quantities and percent complete in the Contractor's Payment Estimate comply with the progress documented in inspection reports, quantity surveys, Contractor's Interim As-Built Drawings and physical inspection of the work. The Project Scheduler/Cost Specialist reconciles discrepancies with the Contractor and, upon agreement, transmits comments and recommendations to the FCA.
5. After all submittals are found to be sufficient and on the recommendations of the Project Scheduler/Cost Specialist, FCA and OE, the Project CM instructs the Contractor to submit an Application for Payment into CMIS.

Application for Payment

1. In CMIS the Contractor adds a Application for Payment for progress made during the month and submits it to the Project CM the Application for Payment.
2. The Project CM reviews the Application for Payment and uses the Ball in Court to forward the action to the FCA.
3. The FCA verifies the progress information and amounts requested in the Application for Payment in CMIS conform, with the agreed upon amounts in the Contractor's Payment Estimate, reconciles differences and modifies the Application for Payment in CMIS as necessary.
4. The Project CM reviews the comments and recommendations from the Project Schedule/Cost Specialist, Office Engineer and FCA and prepares a payment recommendation with instructions as necessary to the FCA to modify the Application for Payment in CMIS.
5. The FCA modifies the Application for Payment as necessary and forwards it to the Project CM for approval.
6. The Project CM signs the Application for Payment and provides it to the FCA.
7. The FCA provides the original signed hardcopy to the ADCS for scanning and attaching to the Application for Payment record, and submits the Application for Payment to CAB (the ball in Court resides with the FCA for the duration of processing and payment).
8. Using the CAB Workflow process, the RPM and RCM approve and sign the Application in turn. If the RPM or RCM disapprove the Application for Payment, CAB will return it to the Project CM for resolution. The Project CM, RPM and RCM resolve issues and the Project CM instructs the FCA on the required modifications. The Process continues from Paragraph 5 in this section.
9. Upon approval by the RPM and RCM, the Cab forwards the approved Application for Payment to Financial Services Bureau, Accounting Division for processing and payment.
10. FCA monitors process and, upon payment, reconciles the payment to the CMIS Application for Payment record.

Data Requirements

The data requirements listed below are specific to the entry of Applications for Payment. The Contractor has "ADD" and "VIEW" access to CMIS, only. Any non-conformed Application for Payment will result in rejection and closure by the FCA and re-entry by the Contractor.

Applications for Payment

Contractor

- Application for Payment
- Select the Contract (automatically assigns To and From fields to Project CM and Contractor, respectively)
- Date Period To (Enter Period end date)

- Application No. (increments automatically for each Contract)

Status Fields

- Set Ball in Court to Project CM
- Priority (Normal or High)
- Reviewed Date (Date Contractor submits Application for Payment in CMIS)

Schedule of Values Fields (Lists the current Schedule of Bid Prices as documented in Specification Section 00410 and amended by approved and certified Change Orders; edit the Requisition Detail line items as appropriate)

- Value of materials stored
- Percent complete for lump sum items of quantity of unit price items

Project Construction Manager

Status Fields

- Ball in Court (Field Contracts Administrator)

Field Contracts Administrator

FCA may use the CMIS inbox to distribute Application for Payment to the Project Schedule/Cost Specialist for validation of progress and to the Office Engineer for verification of materials stored on-site and reports differences directly to the Project CM. Project CM reconciles differences with Contractor and Instructs FCA on resolution.

Schedule of Values Fields

- Modifies Requisitions Detail information n accordance with instruction from the Project CM
- Verify Retention percent and amount (in accordance with Specification Section 00700, Paragraph 9.03)

Status Fields

- Ball in Court (Forward to the Project CM; emails Application for Payment form to Project CM for signature)

Field Contracts Administrator

FCA may use the CMIS Inbox to distribute the Application for Payment to the Project Schedule/Cost Specialist for validation of progress and to the Office Engineer for verification of materials stored on-site and reports differences directly to the Project CM. Project CM reconciles differences with Contractor and instructs FCA on resolution.

Schedule of Values Fields

- Modifies requisition Detail information in accordance with instructions from the Project CM.

- Verify Retention percent and amount (in accordance with Specification Section 00700, Paragraph 9.03)

Status Field

- Ball in Court (Forward to the Project CM; emails Application for Payment form to Project CM for signature)

Custom Fields

- Cost/Schedule Date (Date Cost/Schedule verified with progress data)

Project Construction Manager

Project CM prints Application for Payment form, signs and attaches scanned signed form to the CMIS record)

Status Fields

- Reviewed Date- Project CM (Date PCM signs the Application for Payment) Do not “Certify and Save” the Application for Payment.
- Ball in Court (**Before SOLIS deployment**, forward to RPM for approval; **after SOLIS deployment**, forward to FCA)

Before SOLIS deployment

Regional Project Manager

RPM prints Application for Payment form, sings and attaches scanned signed form to the CMIS record)

Status Fields

- Ball in Court (Forward to RCM for approval and submission into SOLIS)

Regional Construction Manager

RCM prints Application for Payment form, signs and emails scanned signed form to CAB)

Status Fields

- Ball in Court (Forward to FCA)

Application for Payment Processing

On notification of payment and receipt of the updated payment data from SOLIS, the FCA certifies and saves the Application for Payment record and validates the updated Schedule of Values.

Field Contracts Administrator

Status Fields

- Date Paid (From SOLIS)

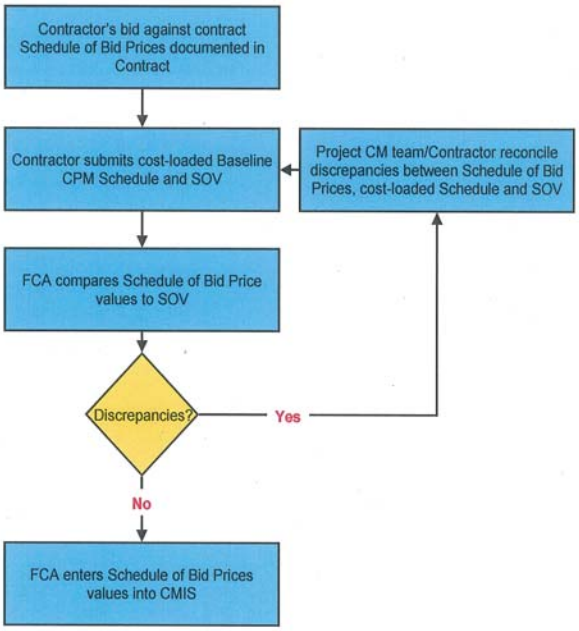
- Check Number (If applicable)
- Certify and Save

Custom Fields

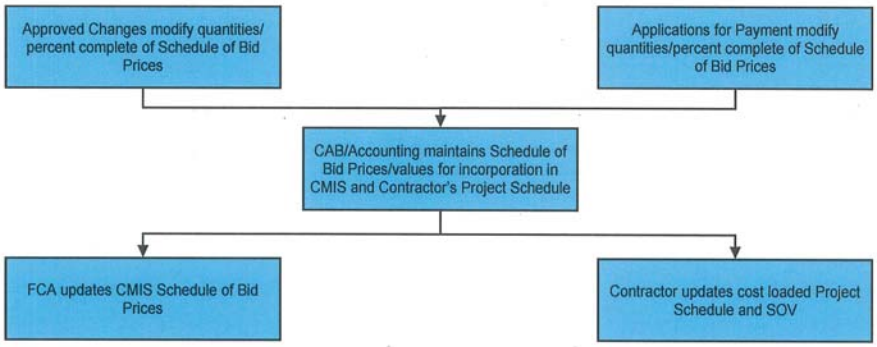
- SOLIS Upload (Date CMIS Application for Payment data uploaded to SOLIS)
- Contractor SOLIS Submittal (Date Contractor makes formal submission in SOLIS)
- SOLIS Approved (Date project CM formally approves in SOLIS)
- Reconciliation (Date CMIS and Fiscal data are reconciled)

Schedule of Bid Prices, Schedule of Values

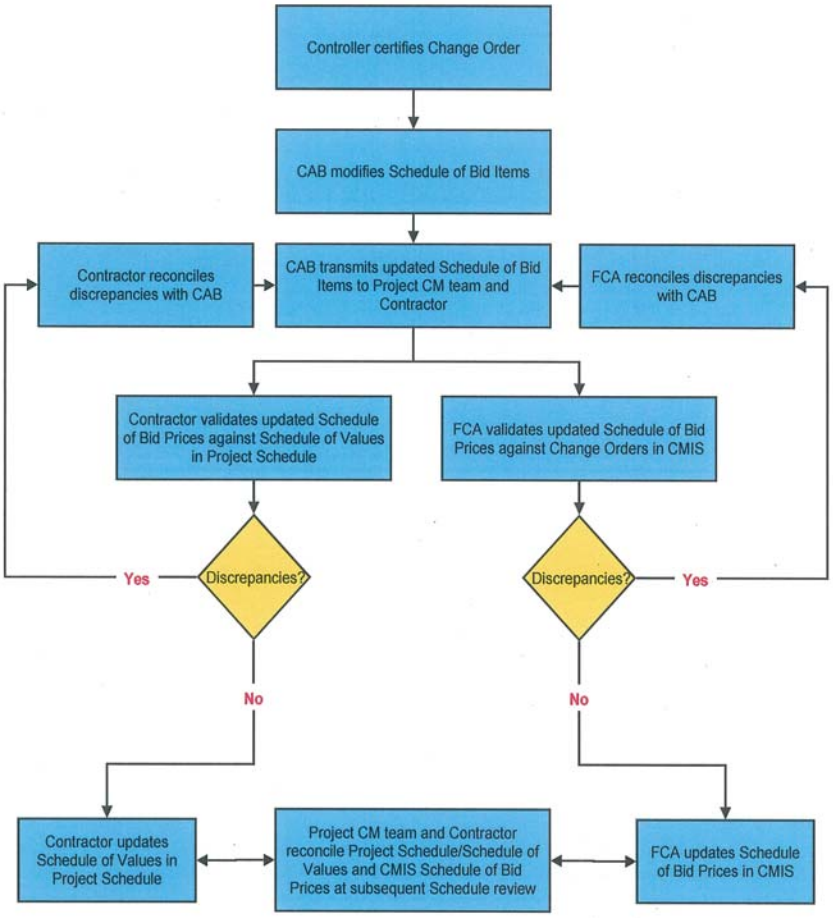
Preparation at Project Inception



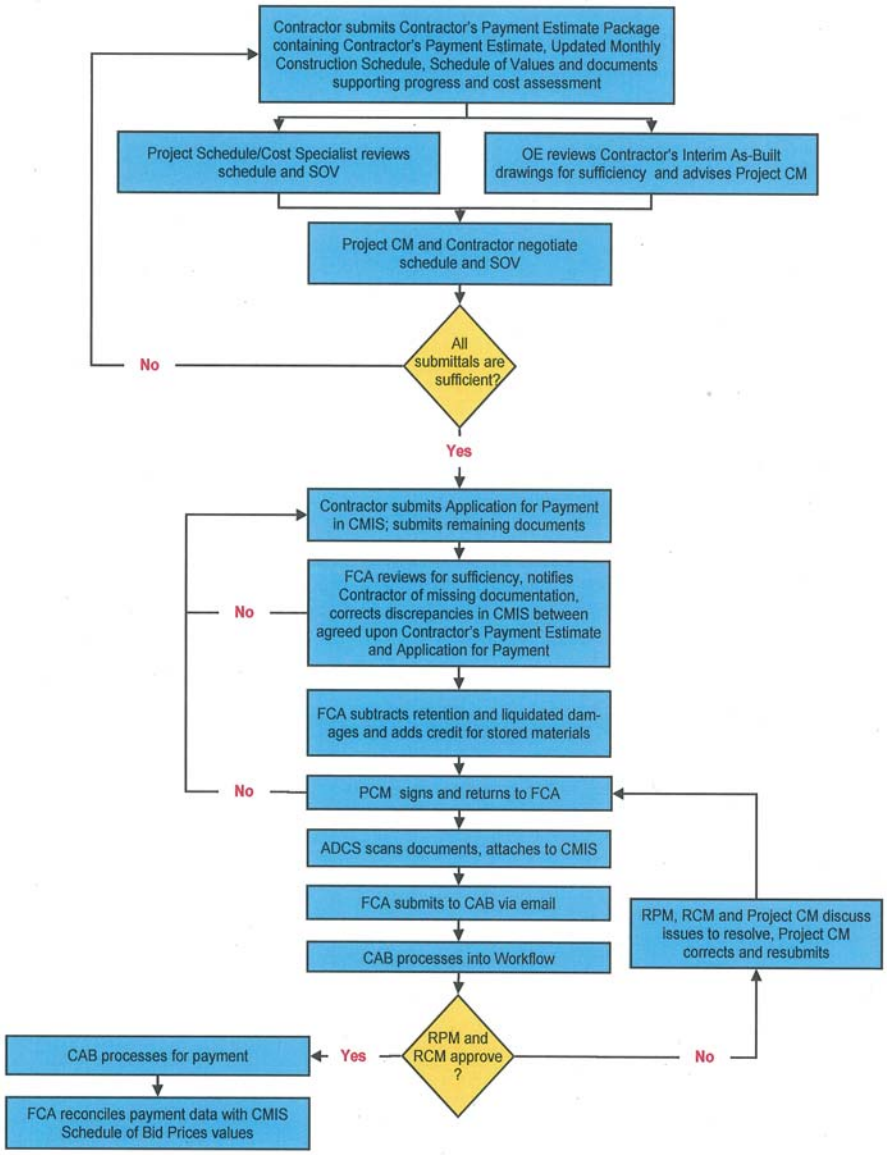
Maintenance during Project Execution



Change Order Implementation



Application for Payment Flow Chart



Contract XXXXXX
SFPUC WSIP Project Name
Contractor Name
Status Date:
MM/DD/YYYY

Bid Item	Description of Work	Budget Amount	Percent Complete	Earned Amount	Materials Stored	Invoiced Amount
	Overall Contract	0.00	0.00%	0.00		$0.00
	Physical Progress This Period	0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00
		0.00	0.00%	0.00		$0.00

APPLICATION FOR PAYMENT

San Francisco Water Power Sewer

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

WATER SYSTEM IMPROVEMENT PROGRAM

HETCH HETCHY WATER SYSTEM IMPROVEMENT PROGRAM

CONTRACT: WD-2469 Forest Knolls PS & Tank
CONTRACT NO: WD-2469
PERIOD TO: 1/23/2009

APPLICATION NO: 00003
DATE: 1/22/2009

A	B	C	D	E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREVIOUS APPLICATION	WORK COMPLETED THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G÷C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE) RATE
0000010	Mobilization	$22,000.00	$1,345.00	$0.00	$0.00	$1,345.00	6.11	$20,655.00	$134.50
0000020	Training	$10,000.00	$599.00	$0.00	$0.00	$599.00	5.99	$9,401.00	$59.90
0000030	Concrete	$15,000.00	$4,779.00	$0.00	$0.00	$4,779.00	31.86	$10,221.00	$477.90
0000040	Electrical	$14,000.00	$263.00	$0.00	$0.00	$263.00	1.88	$13,737.00	$26.30
0000050	Lighting	$14,895.00	$745.00	$0.00	$0.00	$745.00	5.00	$14,150.00	$74.50
0000060	Piping	$56,987.00	$458.00	$0.00	$0.00	$458.00	0.80	$56,529.00	$45.80
0000070	Tunnels	$254,657.00	$90.00	$0.00	$0.00	$90.00	0.04	$254,567.00	$9.00
0000080	Sewers	$98,000.00	$475.00	$0.00	$0.00	$475.00	0.49	$97,525.00	$47.50
0000090	Steel	$109,098.00	$480.00	$0.00	$0.00	$480.00	0.44	$108,618.00	$48.00
0000100	Landscaping	$29,800.00	$422.00	$0.00	$0.00	$422.00	1.42	$29,378.00	$42.20
0000110	Paving	$120,000.00	$1,272.00	$0.00	$0.00	$1,272.00	1.06	$118,728.00	$127.20
	$12.00 PER sq ft	10000	106	0	0	106		9894	10.6

Form: f_rq_02_sfpuc

APPLICATION FOR PAYMENT

San Francisco Water Power Sewer

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

WATER SYSTEM IMPROVEMENT PROGRAM

HETCH HETCHY WATER SYSTEM IMPROVEMENT PROGRAM

CONTRACT: WD-2469 Forest Knolls PS & Tank
CONTRACT NO: WD-2469
PERIOD TO: 1/23/2009

APPLICATION NO: 00003
DATE: 1/22/2009

A	B	C	D	E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED FROM PREVIOUS APPLICATION	WORK COMPLETED THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G÷C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE) RATE
C0001	Mobilization	$1,000.00	$0.00	$0.00	$0.00	$0.00	0.00	$1,000.00	$0.00
		$745,437.00	$10,928.00	$0.00	$0.00	$10,928.00	1.47%	$734,509.00	$1,092.80

Required Submittals:

0 Project CPM Schedule
0 Summary Schedule
0 Summary of Values
0 As Built Drawings
0 Environmental Reports
0 Certified Payroll
0 HRC Forms

Original Contract Value:	$ 744,437.00
Approved Change Orders:	$ 1,000.00
Current Contract Value:	$ 745,437.00
Previously Paid:	$ .00
This Period:	$ .00
Total Paid:	
Balance:	

Page 2 of 2 Pages

Form: f_rq_02_sfpuc

APPLICATION FOR PAYMENT LOG

SAN FRANCISCO PUBLIC UTILITIES COMMISSION

WATER SYSTEM IMPROVEMENT PROGRAM

CONTRACT:
CONTRACT NO:

Date: _____

CALSTATE TO	PUC-CMB From	WD-2460 Number	Scheduled Value	Previous Application	This Period	Total Stored To Date	Retainage	Balance To Finish + Retainage
CONTRACTOR	PUC-CMB	WD-2460						

Revision Control Log

Revision No.	Revision Date	What changed?
Rev 0a	September 21, 2011	• Formatting refreshed: document footers and page numbers refreshed and updated SFPUC Logo on various attachments • References and/or Links noted to WSIP Website have been updated • Revision Control Log Added
Rev 0	February 9, 2009	Signed